
Human Resource Challenges In Knowledge Process Outsourcing (Kpo) Industry In India

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ABSTRACT

Technological progress and rise of knowledge industries have created new business opportunities in the global scenario. After low end business processing, global corporations have started outsourcing high-value added forms of business process outsourcing. This has given rise to a new trend in outsourcing called Knowledge Process Outsourcing (KPO). This includes research and work on intellectual property, equity and finance, analytics, market research and data management, etc. After achieving success in BPOs, India is now gearing towards KPO's. This sector is expected to employ 250,000 persons by end of 2012. It gives a perspective on India's advantages in KPO and its emerging potential for the economy. The KPO industry is people intensive. The HR concerns of the KPO industry include attracting, recruiting, training, developing, managing the performance and retaining the workforce. KPO industry is complex and requires the assessment of domain-specific skills. Recruiting systems should include post recruitment plans such as ongoing training and cross training to meet requirements of the dynamic knowledge-oriented job. Additionally, other aspects of career counseling, evaluation, feedback, motivation and monitoring should be considered. In order to address the skilled personnel issues in KPO in India an attempt has been made to study human resource related issues and challenges faced by KPO industry in this article. The findings of study reveal that efforts should be made, first, by the government to provide and promote quality education; second, by recruiting agencies to attract and evaluate right talent employees, and third, by the industry, to train, develop and retain the workforce.

Keywords: *Knowledge Process Outsourcing (KPO), Human resource development, Employee Skills, Employee Training, Employee retention,*

INTRODUCTION:

KPO prevalently known as “Knowledge Process Outsourcing” is one step ahead of Business Process Outsourcing [BPO]. Now, BPO Industry turning into Knowledge Process Outsourcing. KPO Industry handling more high skilled work than BPO Industry. KPO helps companies to create huge business opportunities. KPO Firms provide domain-based processes and business expertise, rather than just process expertise. In today's generation, KPO has lead in outsourcing business. India has a trained army of chartered accountants, doctors, MBAs, lawyers and research analysts which will enable it to get a major share of global KPO business. The KPO industry has tremendous potential for India. The KPO sector in India employed around 25,000 people in 2003 and generated total business worth \$720 million. By 2010, it is expected to be worth a \$14 billion business employing 250,000 people in India (Source; Evalueserve). The growth rate in this sector is very high, 45% in KPO as compared to 26% growth rate of BPO. In 2003-04, the knowledge process off shoring (KPO) business was worth \$720 million out of the total business process outsourcing (BPO) work of \$3.6 billion. By 2010, KPO is expected to grow to \$12 billion, while the entire

outsourcing industry will be worth \$18 billion. The value added per employee in KPO is expected to be \$4,8000 as compared to \$ 21950 in BPO in 2010. KPO will contribute 1.8% to the Indian service sector by 2010 as against 0.24% in 2003

How KPO is different from Business Process Outsourcing?



What are they types of Services Outsourced through KPO Industry?

- ❖ Knowledge Processing Outsourcing Services
- ❖ Intellectual Property Research

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- ❖ Animation & Simulation Services
- ❖ Data Research And Analytics
- ❖ Litigation Services
- ❖ Medical Content And Services
- ❖ Pharmaceuticals Services
- ❖ Writing / Content Development Services
- ❖ Engineering Design
- ❖ Information Management
- ❖ Financial Services Research
- ❖ R&D Services

End-users of KPO services;

- ❖ Market Research and Consulting Firms,
- ❖ Investment Banks and Financial Services Institutions,
- ❖ Industry Associations,
- ❖ Publishing House / Media,
- ❖ Database Companies; and
- ❖ Corporate Planning Department of large Corporate Groups

Why India becoming suitable destination for KPO Services?

India offers all the prerequisites necessary to execute KPO services, be it proactive government policies or a large talent pool of engineers, MBAs and PhDs. India has managed to replicate its success in IT outsourcing in the KPO industry as well. The following are the factors that make India as the leading player in the global KPO market would include:

- ❖ **Cost factors** include the ability to reduce operating costs, reduce capital investment, turned fixed costs into variable costs, meet downsizing requirements, reduce development costs, and obtain intelligence of competitiveness.
- ❖ **Competency Focus** benefits include the ability to focus on core business, gain access to technology not in within their own company, gain access to needed skills, provide an alternative to building capability, create additional capacity, provide backup capabilities, and align with policy and philosophy.
- ❖ **Revenue** considerations include increased flexibility and responsiveness, increased speed to market, improvement of quality, reductions in customer response time, growing revenue, and access to new markets.

Revenue from Various Segments of KPO

Segments of Services Offered Under KPO	Revenue (2006-07)*	Expected Revenue (2010-11)*
Banking, Securities & Insurance Research	\$175	\$600
Data Management, Search & Analytics	\$590	\$2500
Business & Consulting Research	\$125	\$450
Human Resources - Research & Analytics	\$25	\$120
Market Research & Comp. Intelligence	\$175	\$460
Eng. Design & Architecture, CAD	\$315	\$950
Game-design & Animation Services	\$245	\$900
Legal, Paralegal & Intellectual Property	\$95	\$500
Scientific & Medical Content Publishing	\$165	\$100
Remote Education. Publishing, Tech. Writing	\$300	\$1,000
Contract Res. Orgs, Biotech Services	\$580	\$2,500
Translation and Localization	\$75	\$360
Marketing & Sales Support, Answering RFPs	\$20	\$150
Remote Logistic services & Procurement	\$40	\$160
Network Optimization & Analytics	\$125	\$450
TOTAL	\$3,050	\$11,200
<i>*In millions - Source: Evalueserve</i>		

❖ Cost Arbitrage:

Cost arbitrage is the prime factor for the emergence of Outsourcing. Cost savings of 40-70 per cent can be achieved by Outsourcing/Off-shoring knowledge-intensive work. Similarly, the cost difference in Data Mining Services is about 60-70 per cent. (This is evident from the following: Writing a patent application in the US is expensive – A typical application costs between US\$ 10,000 and US\$

15,000 for drafting and filing with the United States Patent and Trademark Office (USPTO). However, if this process is outsourced, an intellectual property specialist at a KPO vendor can produce a preliminary draft of the patent application and can get it reviewed and modified by a registered US patent attorney, who ultimately files it with the USPTO. This can result in cost savings of up to 50 per cent.

❖ **Large Talent Pool:**

Since KPO services focus on processes with a high degree of complexity, highly skilled professionals with a strong educational background and sound experience in a particular domain, technology, industry or specialty are required. This factor places India in a favorable position as it has a large educational ecosystem, which helps in creating a substantial base of professionals. Indian engineering colleges produce large number of graduates. The higher-education institutes have an annual intake of approximately 560,000 technical graduates, 2.3 million non-technical graduates and more than 300,000 postgraduates in 2009-10. The KPO industry can therefore leverage the wide range of knowledge workers to provide superior-quality services. Further, developed economies such as the US, UK, and Western European countries are facing a shortage of trained professionals in certain knowledge-intensive sectors such as R&D, animation, IT, financial risk management, etc. One of the mitigation mechanisms available to them is to outsource their work to a KPO. It is here that India enjoys a competitive edge over other KPO destinations, with the large and highly skilled talent pool that it offers.

❖ **English Language Skills:**

India has the largest English-speaking population in the world, with more than 350 million people speaking this language. In 2004, India overtook the US and the UK in terms of the English-speaking population. Knowledge of the English language is a key differentiator for India when compared to other outsourcing destinations such as China and Russia.

❖ **Ideal Time Zone Difference:**

India's geographic location also adds to its advantage. A 12-hour difference between the Indian and the US time zones helps Indian players to provide extended business services to clients. This leads to favorable situation, which enables better workflow management.

❖ **Proactive Government Policies:**

The Indian Government has been proactive in providing support to the KPO industry. The liberalization of policies, establishing software technology parks, providing tax benefits, exemptions on duties, etc., are some of the

prominent benefits that the Government extends to the KPO industry.

❖ **Infrastructure:**

In India with redundant telecom and utility infrastructure, there is very good reliability within India's special IT parks. Reliability can be spotty outside the parks or in more remote areas.

❖ **Extensive Experience in Forging Strong Client Relationships:**

In KPO, a client is involved in the entire execution process. Thus, a robust client relationship is the key to the success of KPO services. In addition, a strong relationship ensures quality delivery by integrating the client's know-how throughout the process. Indian KPO players were quick to realize these points and have imbibed the best practices involved in building client relationships.

INDIA'S EDUCATION SYSTEM

India's education system is its main strength in KPO. Indian ancient education system was very scientific. The British developed a strong English speaking based education, which helped India to have a comparative advantage. The tertiary level of education system is well developed in India. There is a pool of highly skilled labour. Indians have a good aptitude for R & D. Low cost advantage due to currency value also is a major advantage. India is a democracy, so is US. The similarity between two countries is also an advantage. The huge talent pool, low cost and strong research infrastructure attract many MNC to set up R&D centers in India. These R&D centers are beneficial to both developing and developed countries. India has the world's largest number of scientific and technological personnel after USA. In India, six times more people go to universities than in China.

THE SUPPLY OF MANPOWER

The supply of manpower comes from people from diverse backgrounds. Engineers, MBAs, professionals with financial background and even journalists are qualified to work in KPO. People with science background have a better chance, as some tasks require data analysis and programming. India's strong education background provides a large pool of knowledge workers in various sectors as Pharmacy, Medicine, Law, Biotechnology, Education & Training, Engineering, Analytics, Design & Animation, Research & Development, Paralegal Content and even Intelligence services.

What are the Skills required in Knowledge Process Outsourcing (KPO)?

The demand for manpower in KPO is very specific focusing on educational qualification as the work involves specialized

knowledge. Work includes abstraction of technical patents, extraction of legacy technical data, cataloguing and indexing, taxonomy building and database creation and updating. All this requires a basic interest and knowledge in specific domains besides an aptitude for working with data and information. KPO have a lucrative career option for upcoming knowledge professionals. The following are the main skills required for KPO professionals:

- ❖ Computer Proficiency (Software and Hardware).
- ❖ Excellent Skills in Searching / Retrieving data from Internet (Web Searching).
- ❖ Analytical skills for analyzing data and generating reports.
- ❖ Resource usage for information research.
- ❖ Theoretical and conceptualization knowledge (Domain Knowledge).
- ❖ Good communication ability.
- ❖ Strong command over English language.
- ❖ Enunciation ability.
- ❖ Interpersonal skill like listening, questioning and intoning.
- ❖ Some job specific skills like writing ability, analyzing raw data, report creation etc.
- ❖ Self - driven, result oriented team player.
- ❖ Should possess right attitude patience and habit of working hard.
- ❖ Strategic orientation and thinking ability.

Resource Challenges facing KPO industry in India

In a paper on 'KPO Industry in India', by The Associated Chambers of Commerce and Industry of India (ASSOCHAM) has expressed fears that KPO industry may be unable to sustain its current phase of growth of nearly 18-20% with employment opportunities for 30,000 workforce with revenue of US \$ 3.8 billion unless institutions of repute are created so that KPO talent emerges out of them to take on its future challenges. The report further goes on: "nearly 30% shortfall is likely in the size of KPO business by 2012, which would stagnate at US\$ 10.5 billion against the projections of US\$ 15 billion mainly on account of dearth of talented professionals in the absence of relevant institutions for imparting KPO skills in India. Not only professional shortages of skilled KPO workforce would be acute by then but emerging competition from low-cost destinations of countries such as Philippines, Russia, China, Poland and Hungary would also hit domestic KPO prospects. The dearth in the professionals has been a well known risk to

the growth of the KPO Industry in India, and this report by ASSOCHAM validates the risk. It is the kind of shortfall predicted between target and realistic growth that is worrying. If the industry is unable to sustain the momentum, it is quite possible that the other alternative destinations will become increasingly attractive for the clients. The nature of the KPO work makes it easier for clients to switch. Indian KPO companies can see these findings on the manpower availability coming out of the research either as a limiting factor or a challenge for their growth.

What are the present day challenges faced by KPO?

Companies are vying for a global footprint. Leading companies are revamping their cost structures by significantly reducing labour costs, adding new capabilities and improving productivity and quality. In such a scenario, organizations world over have to look beyond their traditional strategies in order to meet the market challenges. The challenges of pursuing a KPO strategy are both external and internal. External challenges include finding a suitable KPO vendor that can offer the necessary skills in a scalable manner. Protecting intellectual property is a challenge since it will have to be shared with the vendor. For some industries, protecting data and privacy as well as abiding to legal and compliance requirements are challenges to overcome. The physical location of the KPO vendor creates challenges from a language and time zone perspective. Internal challenges stem from adapting the organizational and management mindset from managing internal resources to managing the KPO vendors resources situated in a remote location. The definition of quality and performance metrics can pose a challenge since some of them may not exist. Internal processes and managers usually do not have quality metrics in place and will need to be defined before outsourcing the process. In some cases, the outsourcing effort exposes inefficiencies and weak areas in the process and a decision needs to be made to outsource the process as is or to optimize it before outsourcing. Technical challenges can also arise so the information technology department must be involved to ensure the infrastructure, applications and data is in place and well protected, and that the KPO vendor is using the data and applications as it was contractually agreed to. Some of the challenges involved in KPO will be:

- ❖ Maintaining higher quality standards,
- ❖ Investments in KPO infrastructure,
- ❖ Lack of talent pool,
- ❖ Requirement of higher level of control,
- ❖ Confidentiality and
- ❖ Enhanced risk management.

QUANTITY VS. SKILL / EMPLOYABILITY

Professional Area		Addition Per Year	Employable Candidate	Employable Candidate (Approximat No.)
PhDs		1,500	100	1,500
College Students	Post Graduates	300,000	10	45,000
	Graduates	2,10,0000	10	21,000
CAs		10,787	25	2,696
Lawyers		15,000	25	3,750
Computers	MCA	54,167	10	5,416
Medicine	M.Pharma.	2,686	15	671
	a.			
	B.Pharma.	24,672	15	3,701
	Doctors	12,000	25	3,000
Engineering	M.Tech.	32,621	25	8,155
	Diploma	265,416	25	66,354
Graduates	Degree	442,809	25	110,702
MBAs	Tier I*	84,262	50	42,131
	Tier II**	2,563	100	2,563

Source: 'Knowledge Services Market', a report published by RocSearch

PROFESSIONALS EMPLOYED IN KPO SERVICE SEGMENTS:

The growth in the number of KPO Projects is indicative of an increasing demand for professionals. Currently, professionals are mainly absorbed in the Contract Research, Data Management, Search and Analytics Segments. By 2011, it is estimated that the Animation and Gaming Services segment along with engineering design will employ a large number of professionals. The following Table shows the Growth of Professionals in number for the period 2007-12:

Growth in Number of Professionals Indian KPO Market 2007-12

Sl.No.	Various Service Segments	2007-08	2011-12
1.	Data Management, Search & Analysis	15,000	60,000
2.	Contract Research and Biotech	15,000	50,000
3.	Remote Education and Publishing	9,000	25,000
4.	Engineering Design	8,000	21,000
5.	Animation and Gaming Services	7,000	22,500
6.	MR and Competitive Intelligence	4,500	12,000

* Top 16 B-Schools including the six IIMs (Indian Institutes of Management)

** Other Govt. approved B-Schools (All India Council of Technical Education)

Contd.

Sl.No.	Various Service Segments	2007-08	2011-12
7.	Banking, Securities and Insurance Research	3,500	12,000
8.	Business & Consulting Research	3,200	11,000
9.	Network Optimization and Analytics	3,100	9,000
10.	Legal Research and IP	2,500	12,000
11.	Translation and Localizations	2,000	9,000
12.	Remote Logistic Services and Procurement	1,100	4,000
13.	HR Research and Analytics	600	2,500
14.	Marketing and Sales Support	500	3,000
15.	Scientific and Medical Content Publishing	400	2,000
	TOTAL	75,400	2,55,000

Source: www.sourcingmag.com

SKILLS ACQUISITION AND RETENTION:

One of the decisive factors for the growth of any destination will be the ability to acquire the right kind of talent and retain it. For India, it will be a major challenge with high annual churn rates and wage inflation playing dampener. In fact, UK based research firm RocSearch has tempered the optimism with its findings that the Indian KPO market may only grow up to \$10 billion by 2010 as opposed to the industry estimates of \$12 billion. The corresponding number of professionals employed in this sector will be only 100,000 as opposed to the predicted 250,000.

SALARY INCREASE:

The revenue per unit is more in the KPO industry than in BPO. The billing rate offered lies between USD 18-24 per hour, which is considerably higher than in BPO, where it is approximately USD 11 per hour¹⁰. This is reflected in the higher average salary in the KPO industry, compared to BPO. According to an analysis conducted by Evalueserve, it is approximately USD 8,800 per annum in KPO, and USD 6,000 per annum in BPO. ⁸ Source: Nasscom-QAI report on "Key operational excellence challenges in ITES-BPO" The average annual salary in India is USD 8,800 per annum in KPO as compared to USD 6,000 per annum in BPO High growth in the KPO sector will lead to an increase in jobs from 25,000 at present, to 250,000 by 2012.

TRAINING AND DEVELOPMENT:

Knowledge processes require a high degree of specialization. In addition to the required educational degree, professionals also need to be abreast of the laws or methodologies governing the process in the client destination. Be it legal processes,

pharma outsourcing or financial services outsourcing, any knowledge process requires familiarity with the concerned domain as it exists in the client country.

GLOBAL PROJECT MANAGEMENT:

Any type of KPO work needs global project management skills as the work is carried out in different countries and possibly in different time zones. Some type of knowledge work is not possible to manage globally and those types of KPO projects should not be off-shored.

SKILLS AVAILABILITY:

For BPO work, availability of skills in different countries can be easily identifiable based on the number of graduates and English speaking population. But for knowledge work it is not the general skills that are needed to perform the job but the availability of certain domain expertise that is needed to successfully complete the knowledge work. Companies should pay close attention in choosing the countries before sending the knowledge work. The following are the main skill sets required for employees in KPO.

KPO: Essential Skill Sets to Increase Employability

SECTOR	SERVICES	SKILL SETS REQUIRED
Legal services	Reviewing transactional & litigation documents; drafting contracts; research memoranda & due diligence reports; prosecuting patents; negotiations	Knowledge in US/UK laws; adept in legal application; ability to reason & research
Engineering R&D	3D modeling; conversion: 2D to 3D; finite analysis; computational fluid dynamics analysis; technical specifications for tenders; value engineering	CAD/CAM; drafting & modeling; product design
Market research & analytics	Secondary & primary research; conversion of findings to knowledge; writing & editing; formatting client reports	Statistical tools; research techniques; report writing & presentations; database research
Writing & content development	Editorial; content delivery; digitization of content; data enrichment & warehousing; pre-press work; proofreading; template designing; text composition	English communication skills; journalism; experience in writing
Pharma R&D	Research & development; drug discovery; clinical research	Doctors; master's degree in science, PhDs
Healthcare services	Diagnostic; genetic profiling; oncology tests; HIV & allergy	Medical degree; specialized subject knowledge
Education & training	K-12; private tutors; curriculum design; pedagogy; content development	Teaching methods/techniques; cultural sensitivity; online teaching methods

Source: www.sourcingmag.com

KPO EMPLOYEE SCARCITY:

It is estimated that the demand for skilled professionals, especially in the streams such as technology, finance, economics, management, and law will be high in OECD countries, which would stimulate the mobility of either the labour force (from developing countries) or the employment (to developing countries). With exponential growth of off shoring activities in India, the demand for experienced professionals are growing day by day leading to high attrition

rate in knowledge-based sectors. Recently Indian outsource vendor TCS announced that it will hire PhD students from IIT without any interviews for the next five years.

SCALING KPO OPERATION:

One of the main reasons for the success of BPO companies is their scalability factor. In the early 2000 when BPO was started becoming popular, demand for the BPO work increased rapidly. Indian based BPO providers ramped up their employee force with the demand and successfully

started serving more and more customers. In KPO it may not be possible for the Indian companies to scale their operations because of employee scarcity. This may significantly lower the growth targets for the KPO market.

NATURE OF KPO SERVICES:

KPO projects are complex in nature and all most all the projects need the approval from the C-level executives, so it is taking longer for KPO projects to get approval from the upper level management. Because of this pure play KPO players are finding tough time closing the deals which may slow the KPO market growth. Though there are several challenges facing the KPO market, overall there is a great potential for the growth of KPO market and the organizations are showing strong interest in outsourcing higher value business processes to countries like India, China, and Philippians. Among the countries India with its large base of qualified knowledge professionals will gain significant KPO market compared with other emerging countries like China, Philippians, Russia, and Korea.

MONOTONY:

Monotony is a psychological factor that is also attributing to the increasing amount of attrition in KPO units. This is increasingly being observed even in domain areas where highly skilled and qualified professionals are engaged. Just like the providers want to add value to their services by upgrading to the high-end activities, the professionals also aspire to move up in their career chain.

INCREASING COST:

Though knowledge process off-shoring happens more with availability of skill and knowledge than the cost of workforce, low-cost operation is still considered as a major driver of offshore-outsourcing. Increasing wages (as also cost of operations) in India is a challenge for the growth of KPO sector in India. Many countries from Asia, Latin America and East Europe are catching up in this sector and emerging as competitors for India.

What should be the future Strategy of KPO Industry?

- ❖ Attract Better Quality Professionals By Involving Government to Enlarge the Pool - Keeping in view the tremendous need for academically qualified personnel in the KPO sector, the Indian education system needs to be given a major face-lift. The government needs to invest more in education, allow more private sector participation and monitor the quality of colleges more diligently.
- ❖ Creating More Awareness About the Nature of Work KPO Involves – There is a need to create awareness that KPO is different from BPO and involves high end knowledge intensive work.

- ❖ Bring in More Capital By Entering into Partnerships with Big Financial Service Organizations – This step can help in two ways - provide much needed cash to Indian financial services KPO's and also impart the requisite domain expertise.

- ❖ Getting more Venture Capital – Another viable option to gather funds for cash strapped Indian KPO units
- ❖ Form an Effective Industry Association to Lobby with the Government to bring on
- ❖ Better regulations in the form of more stringent IT acts
- ❖ Better enforcement of laws by creating regional regulatory bodies to help in diligent monitoring
- ❖ Improving the information infrastructure by taking adequate steps to reduce prevailing bandwidth prices.
- ❖ Build Brand India – There is a need to lobby for and increase the value of 'Brand India' as a potential high end financial services outsourcing destination. Selling KPO services abroad and helping it scale up to a global size would require significant branding efforts in the medium-term.
- ❖ Collaborate with Institutes like Carnegie Melon or Other Financial Services Accreditation Organizations – In order to develop process or quality standards for the KPO industry, similar to the creation of CMM standards for the software industry. This would not only help KPOs gain credibility with their clients but also fight multinationals entering this domain.

BUILDING TALENTED MANPOWER:

Human resource is one of the prime attributes of success in KPO units. As the KPO activities and streams are increasing day-by-day, demand for skilled professionals are expected to grow exponentially. Innovations in the services sector (such as banking and business services) will also increase the demand for graduates with science and technology backgrounds, creating wider opportunities outside the traditional employers. Several surveys on off-shoring have shown that access to skills is an overriding concern for many transnational corporations in their decision to off-shore their high-end activities. To sustain the position of India as an emerging destination for KPO, it is imperative to increase the talent force with domain knowledge.

UPDATING THE SKILLS CONTINUOUSLY

Besides, it is also important to update the skills continuously. This is especially true when there is a mismatch between the supply and demand for specialized skills. Firms may also involve foreign affiliates in this talent-updating process, by encouraging them to participate in joint projects with universities and other training institutions. By doing so, the large number of graduates could be unlocked and made

suitable for employment in the off-shoring industry.

STRENGTHENING EDUCATION SYSTEM:

Education is the fundamental enabler of growth in KPO activities. Skilled people with domain knowledge and experience are required for undertaking KPO activities. Although India possesses a large pool of highly educated people who are showing significant achievements, both domestically and globally, they represent only a fraction of total population. It is also essential to forge consistency between the curriculum taught in the schools and the requirements of the KPO industry. In order to achieve such consistency, it is essential to have an education system that reorients the classroom teaching with learning objectives, starting from primary school. This requires academic – industry partnerships while designing the curriculum.

REFORMING CURRICULA AND TRAINING:

India needs to implement measures to improve education standards in various streams (science, technology, law, economics, management, finance) that have potential for outsourcing business. The education model should match with the specific needs of the KPO units as well as the off-shoring companies. For example, a typical college graduate should be well-versed in various global developments including cross cultural issues, in order to be eligible for employment in KPO units. Support may be given to educational institutions, including schools, for their efforts to improve the quality of the curriculum and teaching.

FINANCIAL SUPPORT FOR PROFESSIONAL STUDIES

The world today is witnessing high mobility of students pursuing not only higher education but also employment. While migration of students to other countries to pursue professional carrier might lead knowledge circulation and benefit the country in the long run, migration of bright students to non-professional streams might weaken the skill base of India. India needs to strengthen the education system and provide appropriate compensation to professionals to retain the talents within the country.

LEVERAGING THE STRENGTHS OF INDIAN DIASPORA:

It is estimated that more than 20 million Indian Diaspora are settled in over 70 countries across the world. This population constitute significant share in population in countries like Singapore, Malaysia, Mauritius, Fiji, Tobago & Trinidad, Malaysia and South Africa. Indian Diaspora have been successful in contributing the economic growth of the countries of their migration, as well as their home country. Majority of them are contributing to the development in the fields of engineering, space research, healthcare, information

technology, management and entrepreneurship. Leveraging the knowledge gained by the Indian Diaspora in various countries, Indian KPO units could adopt best practices in delivering the services and use the network to build brand India as an off-shoring destination.

CREATING POSITIVE OPINION ON OFF-SHORING:

It may be emphasized that off-shoring is more about relocating of human as well as financial resources. Potential benefits that may be available include concentrating in core activities in which the firms have competitive strengths, increased competitiveness due to lower costs and prices, deployment of labour in better paid jobs. It is also important for the KPO firms to educate their customers to propagate the benefits of off-shoring to the labour associations and the Government in their respective countries. This would facilitate introduction of policy changes promoting off-shoring concept and help remove the negative opinion on off-shoring.

PROPER MANPOWER UTILIZATION:

In the past, many companies considered off-shoring to be primarily a cost-saving strategy. As the industry evolved into off-shoring more knowledge intensive processes, more and more firms began to consider off-shoring on a strategic level and not just on operational level. It is important to realize that off-shoring is not about firing people in the home country and hiring people in the destination country and saving on costs. It is more about reallocating human as well as financial resources. It is about allowing key people to focus on what is really important and not on what is really urgent. Thus, it is important for KPO units to utilize manpower properly to provide high quality service.

DEVELOP DOMAIN EXPERTISE:

KPO is an evolving sector with more and more knowledge-based activities being included day-by-day. Firms need to develop skills and expertise in new domain areas that may not be their focus area at present. This would help them to have ‘early mover advantage’ and help mobilize business opportunities.

TRAINING AND COACHING:

Some new KPO firms do not intend to nurture, train or coach talent within the organization and find it easier to poach people from other companies. Such an approach is detrimental to the growth of the KPO industry. KPO firms need to understand the importance of training and skill development, especially at the entry level. In addition to project specific training, firms need to focus on developing soft skills and behavioral aspects to help the employees to become more productive in their work.

CONCLUSION

The Indian KPO industry is having rich experience in offering of many services by adding all advantages of best human resource, cost savings, language skill, infrastructure, stable government policies etc., still there are issues which have to be addressed by the companies and government when it comes off shoring of services, especially this industry is facing acute manpower-supply gap. Even though so many educational institution developing the man power requirement for the KPO industry still the employable skill not upto the expectation of the industry. In this scenario KPO industry should try to discover the right talent and train them as per their requirement to make the difference in future requirement.

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